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# Japan Is Sieve For High-Tech Leaks to Soviets

In most respects, Japan and West Germany are among our staunchest allies in the global conflict with the Soviet bloc. But they head the dishonor roll of nations that allow greedy businessmen to sell the Soviets high technology that can be converted to military use.

In congressional testimony earlier this year, a high-level Pentagon official said Japan was the worst offender in the high-stakes, high-tech transfer to the communists. Another military source conceded, though, that Japan's dubious distinction may only be due to the fact that U.S. intelligence is better in Japan than in West Germany.

My associates Dale Van Atta and Michael Binstein investigated the situation. Here's what they learned from knowledgeable intelligence sources in Tokyo and Washington:

The KGB considers Japan an "easy collection target"—a veritable sieve for technology secrets. Some of the biggest, most respected industrial combines in Japan have been involved in questionable transfers of technology to the Soviets, according to the intelligence sources.

The transfer of high-tech items to the Soviets and their eastern European satellites may be accomplished through subsidiaries of Japanese corporate giants. The most popular location for subsidiaries is Kuala Lumpur, capital of Malaysia, with nearby Singapore in second place. Mexico is becoming increasingly popular as a transfer point.

The sources emphasized that the CIA doesn't know of any exclusively military technology the Soviets are getting from the Japanese. But the KGB has gone after micro-electronic equipment, machine tools, computers, telecommunications, automation devices and specialty steel—much of which can be incorporated into Soviet weapons systems.

The Soviets get a lot of their high tech from Japan by legal means, but lately the Japanese are becoming more careful. Soviet representatives were barred, for example, from a recent Japanese conference on "composites," new super-strong, light materials made with special alloys and processes.

One almost ludicrous example of the Soviets' hunger for modern technology was their purchase of a Japanese toy robot called "Taro." It has a sensitive heat-identifying device that makes it avoid people. The Soviets adapted the toy for use in surface-to-air missiles.

One problem is that, however willing the Japanese government may be to keep embargoed technology from the Soviets, Japanese law enforcement agencies have little legal authority to crack down on export-control violations or related industrial espionage committed by foreigners. The best they can do is try to bring informal pressure on firms looking for lucrative contracts with the Soviets—and this has proven to be inadequate.

There are several tricks Japanese companies can use to make sales, which are technically legal, to the Soviets. One is to set up dummy corporations to act as intermediaries in their Soviet-bloc trade. The dummy firms are expendable and allow the parent firms to avoid responsibility for financial losses or illegal activities of the surrogate corporations.

Another standard device is to ship the high-tech items through several companies in different countries. This makes it difficult to trace a single embargoed item through less than perfect corporate records, especially when the particular piece of equipment is obligingly installed in low-grade machinery and provided with false documentation to avoid customs scrutiny.

Belatedly, Japanese officials have promised that they will try to plug the leaks of technology in line with U.S. policy.